Idaho Legislative Services Office
Legislative Audits Division

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NORTH CENTRAL DISTRICT
HEALTH DEPARTMENT (II)

On January 13, 2009, the Legislative Services Office released an audit report for North Central District Health Department for fiscal years 2006 and 2007. The District was contacted on April 8, 2009, and this report addresses how the District has responded to the one finding and recommendation contained in that report.

FINDING #1

Internal control weaknesses exist in the process for preparing the financial statements and note disclosures.

We recommend that the District review the internal controls over preparation of the financial statements and notes and strengthen the process as appropriate. The review should include the process for ensuring the completeness and accuracy of the financial statements and note disclosures.

AUDIT FOLLOW-UP

The District has implemented several new internal controls and strengthened others to ensure the completeness and accuracy of the financial statements and note disclosures. The following are examples of controls and tools that the District has implemented to ensure proper reporting:

- The District implemented a robust system of reconciliations between STARS reports and the financial statements.
- The District plans to place greater emphasis on reconciling the components of the financial statements and notes, including a continuous approach to compiling financial statement information.
- The District revised the system of preparing working papers for the compilation of the financial statements and notes to make the process more efficient and accurate.
- The District purchased AICPA guidance and checklists to assist in the preparation of financial statements.
- The District is participating in training provided by the State Controller's Office for tracking changing accounting standards.
- The District is utilizing the IBIS software tool provided by the State Controller's Office to assist in financial statement preparation.

STATUS – CLOSED